Statement of Ed Pardini

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Iowa Stem Advisory Council –Broadband Committee

October 8, 2013

Thank you, Mr. Chairman, and I also thank all the committee members for inviting me here today to speak on behalf of Mediacom Cable Communications and the Iowa Cable Television Association. My name is Ed Pardini, and I am the Senior Vice President of Mediacom's National Field Operations Group, and President of the ICTA.

As a resident of Urbandale, Iowa, I share your great concern regarding the accessibility of high-speed Internet access for all Iowans. Mediacom is the fastest provider of residential internet, with speeds of up to 105 Mbs available in the more than 325 Iowa communities which we serve.

We believe the primary barriers to broadband access are the capital costs related to construction to unserved areas and the ongoing costs related to maintenance and operation.

At Mediacom, we believe the primary barriers to broadband adoption are lack of access to broadband, lack of computer equipment that meets current operating specifications, and lack of digital literacy training and skills.

The capital cost to construct unserved areas is the primary barrier. Unserved areas tend to be more rural and isolated with fewer homes per mile to underwrite the costs of construction. As such, they generally require higher construction costs on a per household basis than do more densely populated markets with fewer revenue opportunities. Because these markets are generally served via aerial construction, the high cost of preparing existing poles to be capable of the additional wires, often called "make ready costs" can add significantly to the overall construction costs. In addition, the cost of local permits, right of ways, and traffic control during the actual construction can increase the capital requirements of a project.

Aerial construction is cheaper than the costs of placing fiber and cable plant underground, by 30-50%. Typically, Mediacom is able profitably serve aerial populations of 25 homes per mile or more, while underground construction costs will drive that threshold to 40 homes per mile and beyond.

In Iowa, there are many rural communities such as Cummin, IA, that have densities in excess of 25 aerial homes per mile, but require several miles of fiber cabling to reach the outskirts of the town. We believe the State should create a program that encourages private Internet Service Provider with the nearest expandable fiber network to build into surrounding unserved areas to provide access to internet speeds that, at a minimum, triple or quadruple the minimum federal definition of broadband serve to all residents within the unserved area. The program could provide grants to those ISPs willing to expand their fiber networks into unserved areas. The grants could be used to offset a portion of the ISP's capital cost of construction, and the ISP would be responsible for paying the remaining portion. The program could be modeled after the California Advanced Services Fund, and under no circumstances should the fund be used to provide duplicative services of an existing wireline provider in that area.

The extension of broadband networks to unserved rural areas is critical because we expect consumer demand for both wireline and wireless bandwidth to grow dramatically well into the future as more households move online and more broadband-capable devices operate within the home.

Among wireless networks, Mediacom's fiber optic lines are the premiere cellular backhaul network of choice for cell tower operators like US Cellular, Verizon Wireless, Sprint, and I-wireless. We connect more than 750 of Iowa's 900 cell sites, and it is our fiber optics network that makes 3G and 4G wireless networks are dependable reality.

As such, the State should focus its attention on driving fiber optic wires deeper into unserved markets. The cheapest and most efficient way to accomplish that goal is to encourage the ISPs with the nearest expandable fiber networks to extend their service territories to include the unserved areas surrounding their existing facilities.